

CHARGES 5 PACKERS WITH MEAT CONTROL

Federal Trade Commission in Report to Congress Tells of Buyers' Pool.

PROOF IS DOCUMENTARY

Swift, Armour, Morris, Wilson and Cudahy Concerns Are Included.

WASHINGTON, Dec. 2.—The Federal Trade Commission, in a supplemental report submitted to Congress to-day, charges the five big meat packing companies of the country with a combination in restraint of trade and with controlling the sale of live stock and fresh meats. Swift & Co., Armour & Co., Morris & Co., Wilson Company, Inc., and the Cudahy Packing Company are named.

"The evidence of the present day existence of a meat combination among the five big packers is voluminous and detailed," the report says. "This evidence is convincing, consisting as it does largely of documents written by the packers or their agents and including the memoranda made by one of the participants in the combination of the terms and conditions agreed upon at various meetings of the packers."

The principal conclusions to be drawn from this mass of evidence, the report says, are:

1. That Swift & Co., Armour & Co., Morris & Co., Wilson Company, Inc., and the Cudahy Packing Company are in agreement for the division of live stock purchases throughout the United States according to certain fixed percentages.

"That this division is reinforced by oral agreements among the members of the general combination operating in agreement for the division of live stock purchases throughout the United States according to certain fixed percentages."

"That these purchase agreements constitute a restraint of interstate commerce in live animals and in the sale of meat and other products, stilling competition among the five companies, substantially controlling the prices paid to producers and prices charged to consumers, giving the members of the combination unfair and illegal advantages over actual and potential competitors."

"That the five companies exchange confidential information which is not made available to their competitors and employ jointly paid agents to secure information which is used to control and manipulate live stock markets."

"That the five companies act collectively in the purchase of live stock."

4. That Swift & Co., Armour & Co., Morris & Co., and Wilson Company, Inc., through their subsidiary and controlled companies in South America, combined with certain other companies to restrict and control shipments of beef and other meats from South America to the United States and other countries.

"5. That the five companies act collectively in the sale of fresh meat."

"6. That there is a joint contribution to funds expended under their secret control to influence public opinion and governmental action and thus to maintain the power of their combination."

"7. That the agreements, understandings and pools are reinforced by the community of interest through joint ownership of various enterprises. Two or more of the interests thus have joint ownership or representation in 'his concerns as far as ascertained to July, 1918."

In a summary of its conclusions the commission finds:

"That the big packers control the

live stock markets; that such competition as appears to exist is limited and not real; that they together fix live stock prices.

"The buyers begin buying at the same time," the report states. "If one holds off the market all hold off. So strong is the influence of the big packers buying that the market is not made until their buyers begin bidding."

"There exists therefore for each of the big packers a centralized buying system so simply contrived and organized that it controls the smallest details of live stock purchases at each of the markets and can be set in motion and directed by a single word. Only a few men in each company need know that there is an agreement or understanding."

"It is obvious," the report continues, "that the live stock pool is not only an automatic regulator of the business of each company, but also secures substantial uniformity of prices. With each packer purchasing only a certain percentage on the hoof each is bound to have relatively the same proportion of meat for sale. Thus the competitive chance that any one of the packers will flood the market is eliminated."

"The commission also declares there is proof that 'the big packers take advantage of live stock purchasers and sellers,' and adds:

"The shipper who refuses to accept the price offered at the first market has a chance to sell his live stock at its merits to small packers, buyers and traders, but the chance is slight."

How Sales Are Regulated.

Regarding the alleged packers' combination regulating the sale of meat products the report said:

"By a regular inspection of one another's branch house stocks they are enabled to prevent an overabundance of fresh meat in any market. By their exchange of information as to the 'margin' on sales of meats at the different markets they are able to keep their average prices in practical in line with practically every retail butcher examined on this point by the agents of the commission stated that for the same kind and grade of meat there is no perceptible difference in the prices. The exceptions are where a rotation of price cutters is practiced in order to drive an independent out of the market."

The five concerns, it is charged, not only make agreements with small packers as to the prices to be charged for meat but also drive out independent concerns by reducing prices. Regarding the packers' agreement affecting subsidiary lines the commission reached the following conclusions:

"That in the sale of live substitutes there is an agreement to charge fixed prices."

"That in purchase of cheese there is a division of territory and a joint manipulation of prices."

"That in the purchase of butter, cream, poultry and eggs there is combination in the form of either the division of territory or price agreements."

"That in the purchase of fats from retail butchers and in the general conduct of the business of rendering there are divisions of territory, agreements and various collusive and unfair practices."

PACKERS DENY CHARGES.

Swift Says Only "Supply, Demand and Food Administration" Rule.

CHICAGO, Dec. 2.—Denials that the packing companies accused by the Federal Trade Commission are guilty were made to-day by officers of the accused concerns.

"These charges are as untrue as they are unfair," said J. Ogden Armour.

Swift & Co. said: "There are only three things which control prices, supply, demand and the Food Administration."

"We are not doing that kind of business and never have," said H. A. Timmins, of Morris & Co.

GENERAL STRIKE IN BIG HOTELS IS NEAR

Waiters' and Kitchen Forces' Demands Refused Peremptorily by Employers.

Patrons of the city's big hotels and leading restaurants face the prospect of taking their meals to-day in an atmosphere of heated belligerence.

A general strike of dining room and kitchen help is imminent. The sporadic disputes, quarrels, strikes and lockouts of the last five years seem on the point of culminating in a final fight between the contending parties.

The strike of waiters and cooks which began in October at the Hotel McAlpin, Waldorf-Astoria, Claridge and Astor, extending subsequently to six other hotels, spread yesterday to three large restaurants and seems likely to take in many others.

The Restaurateurs Society has made common cause with the Hotel Men's Association. At a joint meeting yesterday in the rooms of the hotel association, Fifth avenue and Thirty-third street, the strike situation was gone over.

The position taken by the joint forces of the hotel and restaurant yesterday amounts to defiance, calling upon the striking waiters and kitchen men to begin their fight with the general strike so that all may see what will happen.

The union delegates Sunday night to the managers of all the leading restaurants. Some of them, fearing a complete tie-up, were inclined to give in. Reissner's, Lorber's and Luchow's, however, immediately accepted the challenge and installed new sets of waiters and cooks. The striking men were replaced by waitresses, and negroes were put in charge of the service in some cases.

DESERTER KILLS POLICEMAN.

Wounds Three Other Persons in Hoboken Street Battle.

Police Officer Bernard Murray of Hoboken was shot and killed yesterday and another policeman and two civilians were wounded before Charles Frank Evans, a navy deserter, was shot and killed in a Hoboken police headquarters on a charge of murder. Evans had two revolvers when Murray and Police Officer Kennedy went to the home of Miss Margaret Walsh, 412 Madison street, Hoboken, to get him.

Evans had a reputation in the navy as an expert marksman. Kennedy was shot as he encountered Evans in the hallway of a house in rear of the one from which he was fleeing. Murray was shot through the head as Evans dropped Kennedy.

He shot William Valentine, a city policeman, in the forehead, but the bullet glanced off. Finally he shot the right forefinger of Thomas McConnell, 316 Bloomfield street, who caught him and held on. Evans was beaten mercilessly by a crowd until police reserves arrived.

The Walsh girl was arrested. So was Charles Strasser, 34, of Hamburg, Pa., said also by the police to be a navy deserter. Evans is charged also with having held up William Dryoss, a baker, in Hoboken on Thanksgiving Day. Dryoss was shot in the heart.

AMERICAN BARK SUNK.

Mary B. Wellington Lost in Storm Off Brazilian Coast.

Buenos Ayres, Dec. 2.—A despatch from Paranaguá, Brazil, reports the sinking of the American bark Mary B. Wellington during a storm.

The Mary B. Wellington, 425 tons, was built in New Bedford, Mass., in 1885.

\$7,443,415,838 IS BUDGET FOR 1920

Continued from First Page.

decennial census throughout the United States.

A little more than \$30,000,000 would be spent by the Department of Agriculture in fighting plant and animal diseases and educational work. For the Tariff Commission \$400,000 is asked, twice as much as was asked this year.

Despite the uncertainty of life for a number of Government war agencies, estimates are made for the War Trade Board, \$2,485,000; War Industries Board, \$1,000,000; Fuel Administration, \$1,500,000; and the Capital Issues Committee, \$450,000.

Compensation Account.

Payment to soldiers and sailors or their dependents on account of compensation or Government allowances are expected to run to almost \$120,000,000. Ten millions is the estimated cost of collecting customs and administering customs regulations.

Retained items on the pay of the army show that in the total of \$1,322,000,000 asked for, exclusive of the fortification estimates, provision is made for the payment of only 21,259 officers and 382,667 men of the line and approximately 130,000 non-combatant troops of the requisite staff officers.

The inclusion in the estimates, however, of five items of pay with a nominal appropriation of \$100 each asked shows that the whole question of the strength of the army after the completion of peace has been deferred and that supplemental estimates are to be expected under these headings when it is possible to present a completed project. The items thus held in suspension are those providing for the pay of reserve and national guard officers and men.

The naval estimates are framed on an exactly opposite theory. Every provision is made for steady and rapid increase of the fleet, a total of approximately \$434,000,000 being asked. Of that sum \$200,000,000 is the first increment of the proposed new three year building programme providing for ten additional dreadnoughts, six battle cruisers and 140 other fighting craft.

The remainder of the \$134,000,000 would go to complete ships of the first three year programme.

Secretary Daniels has removed also the naval emergency fund item under which Congress appropriated \$100,000,000 last year to provide for the construction of additional destroyers, submarine chasers and other special craft and to expedite construction work. This year, however, the department asks for \$175,000,000.

Billion Dollar Increase.

The total appropriation for the naval establishment is an increase of approximately a billion dollars over appropriations made for the current year. The pay of the navy item stands at \$579,946,000, against \$227,372,946 this year. Similarly \$155,286,000 is asked for the Marine Corps against \$143,329,000 this year.

Just what reductions in naval estimates were made following the signing of the armistice with Germany which ended hostilities is not disclosed. So far as the army is concerned, however, Gen. March has said that more than \$16,000,000,000 was lopped off of the original \$19,000,000,000 war budget for the year, bringing the new total, including fortifications, down to less than \$3,000,000,000.

The army estimates show that the specific provision made is for the regular establishment only as at present authorized and raised to its maximum war strength. This is the force contemplated in the Regular Army reorganization made in the national defence act, which also Federalized the National Guard. The plain indication of this method of presenting the estimates, it is said, is that an entirely new military policy is to be proposed, and for that reason no appropriations for continuing the guard in Federal service or otherwise supplementing the Regular Army are now asked.

The most striking equipment appropriation of the army budget is for the air service. Under aircraft production a lump sum estimate of approximately \$145,000,000 is submitted, supplemented by an additional \$20,000,000 for the air service itself. Last year the appropriations under these two headings were respectively \$760,000,000 and \$184,000,000. Even with the great cut made because of the end of hostilities, the total of \$165,000,000 now sought, however, shows that great stress is to be laid hereafter on aircraft development.

Table of Expenditures.

Of the air service estimates \$11,400,000 is set aside for aviation equipment and \$5,235,000 for maintenance of plants and stations and establishment of new ones. The production estimate is not shown in detail. An attached table, however, gives the following information on expenditures this year: Of a total outlay of \$215,000,000 on material \$78,488,000 went for airplanes and parts, another \$77,000,000 for airplane engines and approximately \$2,000,000 for balloons.

Under fortifications a total of \$574,237,000 is asked, against \$3,099,799,000 this year. This estimate, however, carries much of the army artillery and ammunition expenditures in addition to strictly fortification outlays. The artillery item of the fortifications estimate is \$382,145,000, against \$2,765,000,000 this year. A new appropriation of \$1,654,000 is asked for aerial seacoast defences.

The navy estimates provide an item of \$225,000,000 for aviation, a slight increase over this year. They duplicate last year's \$2,665,000 for training camps and other recruit and naval reserve instruction, ask \$77,500,000 for smokeless powder, \$115,000,000 for new ships' batteries, \$125,000,000 for ammunition, \$77,600,000 for reserve ordnance supplies and \$5,000,000 for equipping navy yards for construction work.

Among army estimates are \$103,778,000 for small arms ammunition, \$54,460,000 for ordnance equipment, \$58,825,000 for machine guns, \$61,146,000 for armored cars and \$6,032,000 for the Military Academy.

Aside from the half billion dollar artillery item, the fortifications estimates include \$2,410,000 for proving ground expenses, and for Panama Canal fortifications \$4,316,000, of which \$3,300,000 is for aerial defences.

POLICE DEPARTMENT ORDERS

APPOINTMENT.

To take effect November 20. AS PROBATIONARY PATROLMAN. Thomas A. McDonough, No. 1245, to Headquarters Div. Training School, for 15 days from 8 A. M. December 1.

TEMPORARY ASSIGNMENTS. LIEUTENANTS. Camille G. Paves, 11th Insp. Div. to Headquarters Div. to duty in office of the Police Reserve, for 15 days from 8 A. M. December 1.

William A. J. Koenig, 11th Insp. Div. to 15th Prec. for 30 days from 8 A. M. December 1.

Daniel Mangin, 8th Prec. to 11 Insp. Div. assigned to desk duty, for 30 days from 8 A. M. December 1.

John P. Brennan, 4th Prec. to Headquarters Div. Training School, for 15 days from 8 A. M. December 1.

David A. Fitzgerald, 5th Prec. to 5th Prec. for 30 days from 8 A. M. December 1.

William H. McInaw, 4th Prec. to Headquarters Div. to duty in Department of Charities, Bureau of Dependent Adults, for 15 days from 8 A. M. December 1.

James J. Byrne, 7th Prec. to Headquarters Div. Bureau of Telegraph, Manhattan, for 15 days from 8 A. M. December 1.

William A. Brazier, 8th Prec. to Headquarters Div. Bureau of Repair and Supplies, for 30 days from 8 A. M. December 1.

George L. Bell, 5th Prec. to 26th Prec. for 30 days from 8 A. M. December 1.

James J. Gaffney, 10th Prec. to Headquarters Div. Bureau of Telegraph, Manhattan, for 15 days from 8 A. M. December 1.

George P. Mahoney, 12th Prec. to Headquarters Div. to duty in Police Reserve, for 15 days from 8 A. M. December 1.

Morris Burkin, Division of National Defence (special war payroll), to 22d Prec. assigned to mounted duty, for 30 days from 12:01 P. M. November 29. Leave of absence is hereby revoked.

Frederick J. Leach, 2d Prec. to 10th Prec. assigned to clerical duty, for 15 days from 8 A. M. December 1.

From precincts indicated to 10th Insp. Div. to duty in Police Reserve, for 15 days from 8 A. M. December 1.

From precincts indicated to 14th Insp. Div. to duty in Police Reserve, for 15 days from 8 A. M. December 1.

Frank McNaughton, 11th Insp. Div. to 15th Prec. assigned to desk duty, for 15 days from 8 A. M. December 1.

William Weisheimer, 9th Prec. to 15th Prec. assigned to desk duty, for 15 days from 8 A. M. December 1.

From precincts indicated to 15th Insp. Div. to duty in Police Reserve, for 15 days from 8 A. M. December 1.

James Tormey, 10th Prec. to 15th Prec. assigned to desk duty, for 15 days from 8 A. M. December 1.

Charles Kallmeyer, 6th Prec. to 15th Prec. assigned to desk duty, for 15 days from 8 A. M. December 1.

From precincts indicated to 1st Insp. Div. to duty in Police Reserve, for 15 days from 8 A. M. December 1.

Harry Bauer, 5th Prec. to 15th Prec. assigned to desk duty, for 15 days from 8 A. M. December 1.

The following leaves of absence are authorized, without pay.

LIEUTENANT. John J. Noonan, Division of National Defence, for 30 days from 12:01 A. M. December 1.

PATROLMEN. William B. Mott, 23d Prec. for 15 days from 8 A. M. December 1.

Charles J. Hunt, 7th Prec. for 1 day from 12:01 P. M. December 1.

Thomas Harper, 8th Prec. for 1 day from 8 P. M. November 29.

The following applications for full pay while on sick report are approved:

CAPTAIN. John F. Sweeney, 15th Prec. from 2 P. M. November 6 to noon November 20.

PATROLMEN. William Weisheimer, 8th Prec. from 5:45 P. M. October 21 to noon November 2.

Arthur F. Keefe, Traffic Div. Sub. Div. from 4 P. M. November 18 during disability.

Thomas P. Flanagan, Traffic Div. Sub. Div. from 7:00 P. M. October 22 to 12:12 P. M. November 6.

Thomas A. L. Duane, Traffic Div. Sub. Div. from 4:40 P. M. November 19, during disability.

George J. Reynolds, Traffic Div. Sub. Div. from 8:15 P. M. November 11 to noon November 18.

Jeremiah Clifford, Traffic Div. Sub. Div. from 9:30 A. M. November 15 to 12 P. M. November 19.

Henry G. Ford, Traffic Div. Motorcycle Squad No. 1, from 9 P. M. November 15, during disability.

Henry J. Withus, Jr., Traffic Div. Motorcycle Squad No. 2, from 7:25 P. M. November 10 to 12 P. M. November 14, during disability.

William P. Matthews, Marine Div., from 3 P. M. November 8 to 12 P. M. November 14, relieved from suspension and restored to duty.

PATROLMAN. George Wagner, No. 6768, 43d Prec. to take effect 10:14 A. M. November 29. Suspended from duty, without pay.

PATROLMEN. William F. Regan, No. 3335, 26th Prec. to take effect 6:10 P. M. November 30.

George Wagner, No. 6768, 43d Prec. to take effect 10:16 A. M. November 29.

The following resignation is accepted. To take effect 12 P. M. November 30.

PATROLMAN. Joseph H. Cahill, No. 5113, 5th Prec. The following sick leave is granted:

Thomas McNamara, 4th Prec. 30 days from 8 A. M. December 1.

AMENDMENTS. That the heading in paragraph 1, S. O. 278, c. s., relating to the appointments of Adolph Von Bar-Held, as Patrolman First Grade, and John J. Dooley, as Patrolman Sixth Grade, be amended to read: The following reinstatements have been ordered by the Police Commissioner:

So much of S. O. 247, c. s., as is amended by adding thereto the following names: PATROLMEN. George Kinkel, 1718 Madison street, Glendale, L. I. 15th Prec.

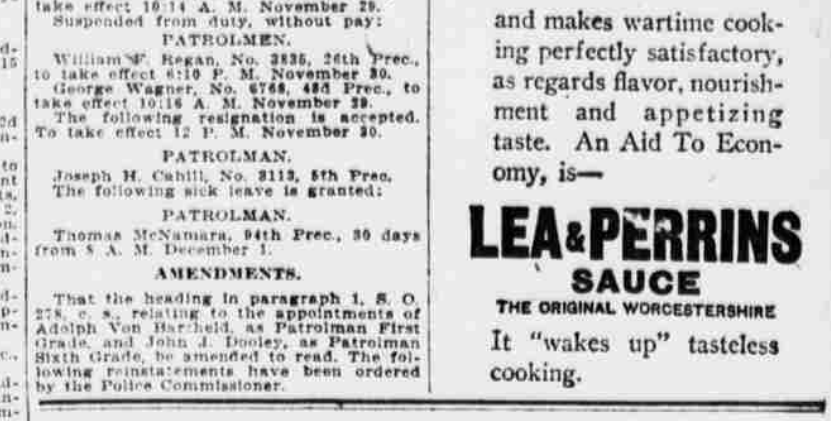
Frank J. Ewala, 146 Wyckoff street, Brooklyn, 76th Prec.

REVOCAIONS. So much of S. O. 247, c. s., as related to the following named patrolmen is revoked: PATROLMEN. Thomas Flaherty, 82 4th street, Elmhurst, L. I. 25th Prec.

George W. Hoffman, 2746 18th avenue, Brooklyn, 76th Prec.

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